

Seay Exploration, Inc.

407 North Big Spring, Suite 200 • Midland, Texas 79701 • 915/682-8319

June 18, 1991

Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

Attn: Mr. Jerry Sexton

RE: Unit Designation
Seay Exploration Inc.
Bilberry #1
House Field (Yates-7 Rivers)
Completion
Lea County, New Mexico

Dear Jerry:

The above captioned well was completed on April 7, 1991 from the Yates and 7-Rivers section for an open flow test of 493 MCFGPD, 1/4" choke, 250# FTP. The perforations are 2884'-2890', 2946'-2948' and 3002'-3119' (45 holes). This interval was first treated with 3700 gals. of 7 1/2% HCL, then fracture treated with 40,000 gals. gelled water and 78,000# sand. It is currently delivering 400 MCFGPD at 440# FTP into the Sid Richardson Carbon Company Pipeline.

The Bilberry #1 is located 1980' FNL and 1980' FEL, Section 6, T-20-S, R-39-E, Lea County, New Mexico. The unit designation, as shown on the attached plat, is the NE/4 Section 6 being approximately 160 acres. The location and unit size comply with the standard rules for the House (Yates-7-Rivers) Field.

Seay and partner, Leonard Resources, have secured all oil and gas leases covering the NE/4 Section by purchase, farmout and force pooling procedures (ODC case #10202). The farmout from Union Oil of California, North American Royalties, Inc. and Parker and Parsley have been earned from the surface to a depth of 3300' by the completion of the subject well.

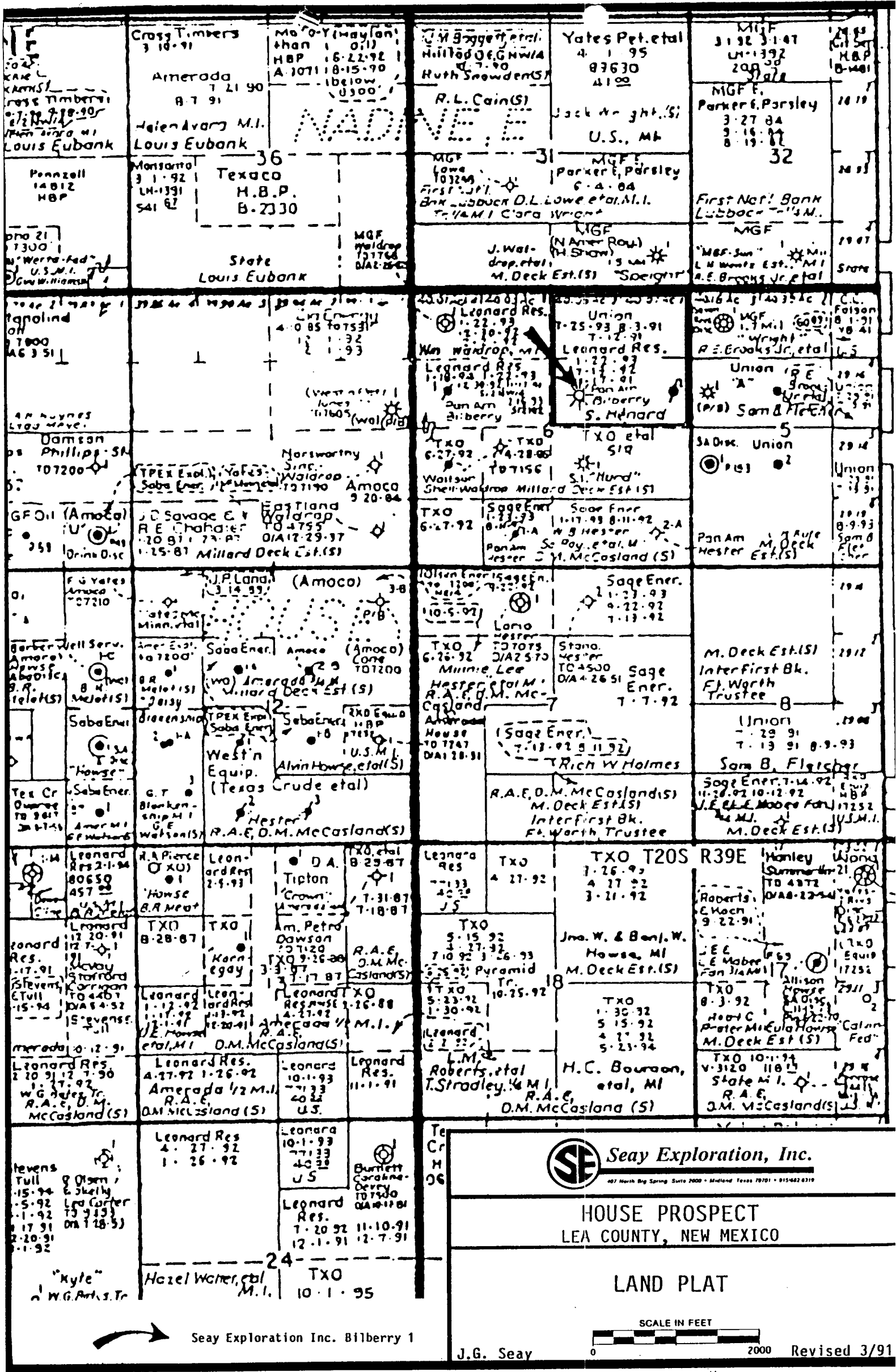
Please let me know if there is any additional information for the unit designation.

Sincerely,

SEAY EXPLORATION INC.


John G. Seay

JGS/nh/ocd



House Prospect
Acreage Block

Yates- 7 Rivers
160 Acre Unit

EXHIBIT